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14 May 2010

Subject : The 2010 Second Quarter Financial Results
To : The President of the Stock Exchange of Thailand

Performance Summary

Thoresen Thai Agencies Public Company Limited (“TTA” or the “Company”) reports net profit of Baht 451.40 million and earnings per share of Baht 0.64 for the three-month period from 1 January 2010 to 31 March 2010 (the “2010 Second Quarter” or “2Q FY 2010”). This compares with net profits and earnings per share of Baht 99.16 million and Baht 0.14, respectively for the three-month period that from 1 January 2009 to 31 March 2009 (the “2009 Second Quarter” or “2Q FY 2009”).

2010 Second Quarter Consolidated Results Review

Total operating revenues were Baht 4,561.99 million, total operating expenses were Baht 4,022.24 million, and thus operating profits were Baht 539.75 million. This represented a 115.31% year-on-year (“YoY”) increase from operating profits of Baht 250.68 million during the same period last year, and a surge of 554.80% quarter-on-quarter (“QoQ”) for the three-month period that ended on 31 December 2009 (the “2010 First Quarter” or “1Q FY 2010”).

The breakdown of net profit contribution to TTA for the three different business segments:

Baht millions	2Q FY 2010	2Q FY 2009	YoY %	1Q FY 2010	QoQ %
Transport	525.94	117.29	348.41%	19.92	2,540.26%
Infrastructure	17.37	-3.75	563.20%	73.46	-76.35%
Energy	-97.71	-33.48	-191.85%	65.99	-248.06%
Corporate ¹	5.80	19.10	-69.64%	-224.46	102.59%
Total	451.40	99.16	355.23%	-65.09	793.51%

Note: Corporate¹ (TTA, the holding company, and includes inter-company eliminations)

2010 Second Quarter Business Group Analysis

The Transport Group includes dry bulk shipping and a number of shipping services companies.

The dry bulk shipping business recorded a consolidated net profit (excluding exchange loss) of Baht 561.51 million this quarter, a great improvement from the net loss of Baht 97.17 million and a net loss Baht 41.39 million a year and a quarter ago, respectively.

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The recovery of earnings is primarily due to a stronger freight rate environment, as evidenced by the fleet average TCE rate of US\$ 13,180 per vessel day. Total vessel days continued to fall, as we sold three vessels and chartered-in fewer vessels compared to last quarter. Overall owner expenses per day fell by 11.42% QoQ to USD 4,132 per day, a result of our cost control strategy.

Summary Fleet Data:

	2Q FY 2010	2Q FY 2009	YoY %	1Q FY 2010*	QoQ %
Average DWT	28,374	28,653	-0.97%	27,297	3.95%
Calendar days for owned fleet ⁽¹⁾	2,776	3,719	-25.36%	2,983	-6.94%
Available Service days for owned fleet	2,695	3,719	-27.53%	2,918	-7.64%
Operating days for owned fleet ⁽²⁾	2,653	3,645	-27.22%	2,866	-7.43%
Owned fleet utilisation ⁽³⁾	98.44%	98.01%	0.44%	98.22%	0.22%
Voyage days for chartered-in fleet	660	1,132	-41.70%	583	13.21%
Average number of vessels ⁽⁴⁾	37.28	53.90	-30.83%	38.05	-2.02%

Note:

- 1) Calendar days are the total days TTA owned the vessels in our fleet for the relevant period, including off hire days associated with major repairs, dry dockings, or special or intermediate surveys.
- 2) Operating days are the total calendar days less off hire days associated with major repairs, dry-dockings, or special or intermediate surveys.
- 3) Fleet utilisation is the percentage of time that our vessels were available for revenue generation and is determined by dividing available days by available Service days for the relevant period.
- 4) Average number of vessels is the number of vessels that constituted our fleet for the relevant period, as measured by the total calendar days for owned fleet plus available days for chartered in fleet for each vessel, including chartered-in tonnage, was a part of our fleet during the period divided by the number of calendar days in the relevant period.

Average Daily Operating Results (USD/Day)

	2Q FY 2010	2Q FY 2009	YoY %	1Q FY 2010	QoQ %
USD/THB Rate (Daily Average)	32.91	35.34	-6.87%	33.31	-1.20%
Time charter equivalent (TCE Rate) ¹	\$13,180	\$9,827	34.12%	\$9,207	43.15%
TCE Rate of Owned Fleet	\$13,411	\$9,105	47.29%	\$10,237	31.00%
TCE Rate of Chartered-In	-\$231	\$722	-131.99%	-\$1,030	77.57%
Vessel operating expenses (owner expenses) ¹	\$4,132	\$4,198	-1.57%	\$4,665	-11.42%
Dry-docking expense	\$1,398	\$1,447	-3.38%	\$1,348	3.70%
General and administrative expenses	\$1,537	\$1,573	-2.28%	\$1,792	-14.22%
Financial costs	\$36	\$666	-94.59%	\$146	-75.34%
Depreciation	\$2,876	\$2,357	22.01%	\$2,731	5.30%
Income taxes	\$72	\$9	700.00%	\$240	-70.00%
Operating earnings ¹	\$3,128	-\$423	839.47%	-\$1,715	282.39%

Note: ¹ The per day basis is calculated based on available service days.

In 2Q FY 2010, the Baltic Dry Bulk Index (“BDI”) declined 10.21% from 3,572 points at the end of December 2009 to 3,207 points at the end of March 2010. Although the BDI fell, the average rate for the Handysize sector rose. Concurrently, our average TCE surged by 34.12% YoY or 43.15% QoQ to USD 13,180/day.

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Primary factors for our improved TCE rates were:

- a) Positive impact from closing our liner services, which has allowed us to trade our vessels in higher paying geographical regions, including the Atlantic.
- b) Time charter activities have been very firm in both period and spot opportunities.
- c) Vessel owner expenses were reduced 11.42% to USD 4,132/day from the last quarter, a result from effective cost control strategy.

We chartered-in 660 vessel days, or 7.33 full-time equivalent vessels, in 2Q FY 2010. This is part of our strategy to lower the risk of our business.

During 2Q FY 2010, we sold three vessels, namely M.V. Thor Spirit, M.V. Thor Tribute, and M.V. Thor Sea. The total cash received for the three vessels sold to third parties amounted to Baht 284.82 million. The combined accounting gains from the sales of these three vessels amounted to Baht 91.06 million, or Baht 87.06 million net of taxes. For the first half of 2010 (1H FY 2010), the total cash received from the disposal of our six vessels was Baht 599.27 million and net of tax accounting gains were Baht 181.31 million.

With a smaller fleet, total cargo volume fell to 2.309 million revenue tonnes for 2Q FY 2010, a 0.81% QoQ fall and 20.24% YoY decrease.

Further provisions for doubtful debts of Baht 54.27 million were taken, making a total of Baht 89.84 million for the first half of FY2010. Final expenses of approximately Baht 20.93 million were taken due to the closure of the liner services. Offsetting these items was a gain on currency swap of about Baht 163.51 million during 2Q FY 2010.

Market Outlook for Dry Bulk Shipping Services:

On the demand front, we believe China's import policy remains the key driver for the global dry bulk market. Nevertheless, we have witnessed some significant change in the trading pattern of iron ore and coal: Chinese iron ore imports have been reduced from Brazil and Australia over the last few months, but increased from India, Iran, and Ukraine. If this continues, we expect lower revenue tonnage and tonne-miles.

As for the rest of the world, demand is growing steadily. Crude steel production for the 66 countries reporting to the World Steel Association ("Worldsteel") was 120 million metric tonnes ("mmt") in March 2010. This is 30.6% higher than March 2009. In the first three months of 2010, Asia produced 219 mmt of crude steel, an increase of 27% over the first quarter of 2009. The EU produced 42 mmt of crude steel in the first quarter of 2010, up 37% compared to the same quarter of 2009.

The grain market in the South Atlantic showed higher activity, with values holding firm. Asia is expected to be the destination for 30.1% (69.5 mmt) of total global imports in the current crop year that is between the two months of June and July.

On the supply side, *Fearnley Fleet Update April 2010* reported that 152 vessels and 13.195 million DWT were delivered during the first three months of 2010. This represents 11.44% and 12.22% of the 2010 scheduled vessels and tonnage order-book, respectively. Even with the potential of further delays and slippage going forward, we fear that the supply is still overwhelming given that the total order-book of new-builds scheduled for 2010 are 1,329 vessels equal to 107.948 million DWT.

The underlying threat of excess new-builds delivering this year still exists, although we have not seen any impact of this yet. Thus, in the short term, we still expect current rate structures to be supported by the strong Chinese demand for iron ore and coal combined with an upswing in dry bulk imports to other nations.

We maintain our new-build plans. Four more new-builds are scheduled for delivery in 2011 and 2012, three vessels from Vinashin and one from Oshima. The total investment costs for the four vessels are approximately USD 163 million.

We continuously looked for opportunities to buy second-hand vessels. The general observation is that second-hand prices steadily increased during the last quarter. Using information from The Baltic Exchange, the value of a five-year Supramax vessel was USD 30.714 million as of 10 May 2010.

The Infrastructure Group consists of an 89.55% stake in Unique Mining Services Public Company Limited (“UMS”), a 100% stake in EMC Gestion S.A.S./Baconco Co., Ltd., a 51.0% stake in GAC Thoresen Logistics Ltd., and a 99.9% stake in Chidlom Marine Services & Supplies Ltd.

UMS recorded a consolidated net profit (excluding unrealised foreign exchange losses from the forward contract and capitalised interest expenses) of Baht 4.15 million for 2Q FY2010 and contributed Baht 3.72 million of net profit to TTA’s financial results. UMS sold approximately half a million tonnes for the first half of FY 2010.

Analysis on UMS’s 1 January – 31 March 2010 Financial Results:

Baht million	Year end – December 31				
	Jan - Mar 2010	Jan – Mar 2009	YoY (%)	Oct – Dec 2009	QoQ (%)
Coal Sales	564.35	729.52	-22.6%	638.51	-11.6%
Total Revenue	571.05	742.52	-23.1%	645.89	-11.6%
Cost of Sales	491.07	522.1	-5.9%	530.61	-7.5%
Gross Profit	76.23	207.42	-63.2%	115.28	-33.9%
SG&A	71.16	77.73	-8.5%	95.41	-25.4%
Financial Costs	16.52	18.14	-8.9%	15.31	7.9%
Net Profit/-Loss	-9.59	107.18	-108.9%	-120.49	-92.0%

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The reasons for UMS' losses are very similar to the last quarter:

- a) Revenue of coal sales fell by 22.64%. This was the result of lower sales to large-sized customers, particularly in the cement and pulp & paper companies. However, UMS' sales to medium and small-sized clients rose YoY, but the increase could not compensate for the fall in sales to large-sized customers.
- b) Gross margins were down, as the final effects of a high-priced Contract of Affreightment ("COA") were recorded.

Market Outlook for UMS's Business and Operations:

1. In general, coal prices follows the trend of the Newcastle Export Index ("NEX"). Given the rising NEX, we expect UMS' average sales price to rise over the next few months accordingly.
2. Despite the significant drop in sales to cement plants, UMS has seen signs of improvement recently. Many public infrastructure projects have been re-activated, and most small to medium-sized companies are reporting sales growth as the local and international economies recover.
3. Given the high-cost COA expired this quarter, and UMS not fixing any of its shipping costs forward, we should expect margins to improve over the next few quarters.

Baconco contributed Baht 434.99 million of sales, a gross profit of Baht 81.51 million, and net profit of Baht 31.83 million to our Infrastructure Group this quarter.

Baconco's 1 January -31 March 2009 Financial Results:

Baht millions	1 Jan – 31 Mar 2010	1 Oct – 31 Dec 2009
Net sales	434.99	706.61
Gross profit	81.51	124.02
Net profit after taxes	31.83	85.16

Baconco sold 30,710 metric tonnes in 2Q FY2010 and 44,697 metric tonnes in 1Q FY 2010. The main season for fertiliser sales is from March to June or July every year. After a slow January and February, we had high sales in March, as our clients prepared for the planting season.

During 2Q FY 2010, Baconco booked about 50.0% of the total warehouse capacity for logistics. In the month of April, Baconco booked a further 23,000 metric tonnes of warehousing services.

The Energy Group comprises of our 57.14% owned Mermaid Maritime Public Company Limited ("MMPLC") and our 21.18% owned Merton Group (Cyprus) Ltd.

MMPLC recorded a consolidated 2Q FY 2010 net loss of Baht 171.01 million and thus TTA consolidated a net loss of Baht 97.72 million. MMPLC reported a net profit of Baht 115.49 million and delivered Baht 65.99 million to our earnings in 1Q FY 2010.

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Mermaid Offshore Services Ltd. (“MOS”): The utilisation of assets in the subsea engineering segment was 28.26% during this quarter, which was not much different from the 28.89% utilisation rate a year ago but almost half of the 45.80% utilisation rate a quarter ago. The low utilisation rate in 2Q FY 2010 is normal due to the monsoon conditions.

In addition to the poor utilisation rate, MOS experienced lower day rates of approximately 15% - 20%, which resulted in lower revenues of Baht 314.79 million in 2Q FY 2010 versus Baht 357.22 million in 2Q FY2009 and Baht 673.70 million in 1Q FY 2010.

MOS’s revenues were however supported by its recent acquisition of Subtech Ltd. (“Subtech Ltd.”). Subtech is a diving and sub-sea contractor that services the Middle East and Persian Gulf region. Subtech contributed Baht 122.59 million and Baht 62.42 million of revenues and gross profits, respectively to MOS.

Since November 2009, MOS took delivery of two new-builds – Mermaid Sapphire in November 2009 and Mermaid Asiana in January 2010. MOS also acquired the Team Siam in January 2010 and thus cancelled its charter. Team Siam and Mermaid Sapphire were underutilised while Mermaid Asiana was not being deployed during this quarter. However, additional depreciation expenses of Baht 18.3 million were charged to MOS this quarter.

MOS is expecting another new-build, Mermaid Endurer, to be delivered in 3Q FY 2010. By the end of FY 2010, MOS is expected to own nine (9) vessels.

The Market Outlook for the Subsea Engineering Services:

We continue to observe and answer a surge in requests for vessel availability, as many oil and gas companies showed signs of re-activating their work programmes and other projects that had been delayed. Despite that, few contracts have been awarded to date, and we are still waiting for the outcome from most of them due to their long tender submission validity periods.

Due to present vessel availability, we have observed a temporary downward pressure on day rates, as contractors compete for the same limited but immediately available contracts. We anticipate that as more contracts begin to be awarded thus reducing vessel availability, day rates should normalise. During this time, we have also observed our peers to be encountering similar predicaments, both in the areas of slower than expected contract awards, lower vessel utilisation, and temporary pressure on day rates as well as bottom lines.

In order to expedite our entry into the Middle East and Persian Gulf region, Subtech Ltd. was acquired. If such opportunities present, we will consider investing to further establish our footprint in the subsea engineering services in areas beyond Southeast Asia.

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We have secured a maiden contract for the DP2 DSV Mermaid Asiana with a contract commencement scheduled during 3Q FY 2010. Furthermore, our order books for other sub-sea vessels are filling up for the rest of 2010. At present, our sub-sea services order book stands at about USD 50 million, which we expect to perform and complete by this year.

Going forward, with outstanding tenders slowly materialising into contracts, we expect over the rest of the year to further secure work for our fleet, including potentially some long-term charters ranging from two to five years.

Mermaid Drilling Ltd. (“MDL”): Drilling utilisation rate declined from 99.42% in 2Q FY 2009 to 50.00% in 2Q FY2010 as only MTR-2 was working as compared with two rigs a year ago.

During this quarter, MTR-1 was still idle and presently located at a yard facility in Thailand. We continue to search for work for MTR-1. As MTR-1 is an older rig, it faces challenges when tendering for drilling services alongside younger tender rigs in the present market. We have also expanded MTR-1’s scope of services to include accommodation barge services, and we have extended our marketing efforts for both potential drilling and/or accommodation barge opportunities beyond South East Asia. At present, MTR-1 is under negotiation for two barge accommodation contracts.

MTR-2 continues to operate under its existing drilling contract with Chevron (Indonesia) in Indonesia, which has been extended in the interim while Chevron (Indonesia) waits for formal extension approval from the Indonesian regulatory authority. If the requested approval is secured, MTR-2 is expected to have its contract formally extended until 2Q FY 2011 at higher day rates. In the mean time, utilisation of this rig has remained at near full levels. Despite its age, MTR-2 remains competitive and continues to be contracted out as it had undergone refurbishment and upgrades in 2006-2007.

Our new build tender rig KM-1 is still undergoing construction at its yard in Malaysia. We expect the rig to be delivered within FY 2010. The rig is scheduled to proceed immediately on delivery to Petronas Malaysia where it is contracted on a five-year term.

The Market Outlook for the Drilling Services:

For tender rigs currently under contract, a reasonable utilisation rate is still observed to be experienced across the global tender rig fleet. We expect to see additional demands for tender rigs as oil prices continue to stabilise and the global economic recovery continues. We also believe that day rates have stabilised and as additional rigs secure new contracts, there will be opportunity for day rates to increase. We continue to observe customers showing a preference for newer equipment and are in discussions with them for new build opportunities. We are also reviewing various opportunities, both in the second-hand market and new build market, for future acquisition of drilling assets that will utilise funds from our recent rights issue.

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Although our preference is to acquire existing assets that allow more immediate means of revenue generation, we are also beginning to see shipyard availability give rise to potential opportunities in the construction of new build rigs as an alternative option.

There has been recent news highlighting the risk of offshore oil and gas drilling, particularly in the Gulf of Mexico. On this point, health, safety and environmental (HSE) issues remain a key focus in our operations and our HSE standards and performance continue to be in line with global industry best practice.

The Corporate is a holding company (including Soleado Holdings Pte. Ltd. and Athene Holdings Ltd.), which provides support in terms of finance, accounting, human resources, IT, administration, and other services. This quarter, it had a positive contribution of Baht 5.80 million to TTA, compared to a loss of Baht 224.46 million last quarter. This is primarily due to foreign exchange gains of Baht 132.75 million this quarter. The gain on exchange rates a year ago and a quarter ago were Baht 6.66 million and Baht 2.02 million, respectively.

Cash and cash equivalents decreased by Baht 2,004.57 million during 2Q FY 2010 from the end of December 2009 to Baht 6,356.90 million as of 31 March 2010. The major acquisition for this quarter is the final payment of USD 13.93 million for our new-build Thor Friendship and Baht 779.39 million for the purchase of a DP2 construction support vessel, M.V. Team Siam.

We entered into a USD 200 million syndicated loan agreement last quarter to finance our future merger & acquisitions. So far we have drawn down USD 79.09 million.

Over the past one year, TTA has been expanding to other new businesses to ensure a more balanced and diversified earnings profile for the Company. We expect MMPLC and UMS to recover during next quarters and make positive contributions to the Company's bottom line through the end of this financial year.

Yours faithfully,
Thoresen Thai Agencies Public Company Limited

Ms. Thitima Rungkwansiroj
Executive Vice President
Group Finance and Accounting

Ms. Mantanee Surakarnkul
Company Secretary

Remarks: The full disclosure 2010 Second Quarter Financial Results report of MMPLC can be viewed at <http://www.mermaid-maritime.com>.